

YEAR 2007

ANNUAL REPORT

OF THE

NAME TreeLine Springs LLC

LOCATION Moonlight Basin Madison County
MT

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 12/31/2007

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

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REPORT OF

TreeLine Springs LLC

(Exact Name of Utility)

PO Box 1369

(Address)

Ennis, MT 59729

(City, State, Zip Code)

For Year Ended 12/31/2007

Date Utility First Organized 02/02/1999

Telephone Number 406-682-6666

Location where books and records are located Ennis, MT & Bozeman, MT

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Eric Butts Civil Engineer	PO Box 1369 Ennis, MT 59729	XXXXXXXX
Person who prepared this report:	Amanda Nelson Assistant	PO Box 1369 Ennis, MT 59729	XXXXXXXX
Officers & Managers:	Moonlight Basin Ranch Inc.	PO Box 1369 Ennis, MT 59729	\$
			\$
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Moonlight Basin Ranch LP	100%	PO Box 1369 Ennis, MT 59729	\$41,177
			\$
			\$

INCOME STATEMENT

Account Name	Current Year 2007	Previous Year 2006
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	95,591	93,513
Commercial		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL GROSS REVENUE	95,591	93,513
Operation and Maintenance Expense	152,519	120,542
Depreciation Expense	5,388	1,113
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	157,907	121,655
NET OPERATING INCOME (LOSS)	< 62,316 >	< 28,142 >
Other Income:		
Non-Utility Income	4,205	
Other Deductions:		
Non-Utility Expenses	17	
Interest Expense		
Loss on Decommissioned Water Facility		< 138,520 >
NET INCOME (LOSS)	< 58,128 >	< 166,662 >

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	CURRENT YEAR 2007	PREVIOUS YEAR 2006
Assets:		
Utility Plant In Service	1160,990	45,254
Accumulated Depreciation and Amortization	< 8,638 >	< 1,701 >
Net Utility Plant		
Cash	3,814	3,406
Customer Account Receivable	3,022	872
Other Assets (Specify)		
Machinery & Equipment		4,396
Total Assets	159,188	52,227
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	25,740	46,417
Proprietary Capital		
Total Capital		
Long Term Debt	133,448	5,810
Accounts Payable		
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	159,188	52,227

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year 2007	Previous Year 2008
Balance First of Year	<1,701>	<41,236>
Credits During Year	<6,937>	<1,113>
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits	<8,638>	<42,349>
Debits During Year:		40,648
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	<8,638>	<1,701>

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
N/A		
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

N/A

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		
Changes during year (Specify):		
Balance end of year		

N/A

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year	46,417	
Changes during year (specify):		
Net Loss	<58,128>	
Other	37,451	
Balance end of year	25,740	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

N/A

WATER UTILITY PLANT ACCOUNTS

		2006				2007
Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year	
301	Organization					
302	Franchises					
303	Land & Land Rights					
304	Structures and Improvements					
305	Collecting and Impounding Reservoirs					
306	Lake River and Other Intakes					
307	Wells and Springs	63,663			63,663	
308	Infiltration Galleries and Tunnels					
309	Supply Mains					
310	Power Generation Equipment					
311	Pumping Equipment					
320	Water Treatment Equipment					
330	Distribution Reservoirs and Standpipes					
331	Transmission and Distribution Mains					
333	Services					
334	Meters and Meter Installations					
335	Hydrants					
339	Other Plant and Miscellaneous Equipment	7,327	90,000		97,327	
340	Office Furniture and Equipment					
341	Transportation Equipment					
342	Stores Equipment					
343	Tools, Shop & Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					
348	Other Tangible Plant					
Total Water Plant		70,990	90,000	-	160,990	

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

2007

2006

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs	30	%	%	1,590		2,338	3,928
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.	30	%	%	111		4,599	4,710
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				1,701	0	6,937	8,638

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	41,177
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	174
Purchased Water	
Purchased Power	18,448
Fuel For Power Production	
Chemicals	
Materials and Supplies	19,499
Contractual Services	31,565
Rents	
Transportation Expense	35,399
Insurance Expense	
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	6,257
Total	152,519

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. _____ Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
10"	5,012*	0	5,012	0	0	5,012	5,012
8"	24,107*	0	24,107	0	0	24,107	24,107
6"	3,800	224	4,024	0	0	4,024	4,024
Total	32,919	224	33,143	0	0	33,143	33,143

* 2006 CLOSE OF YEAR VALUES WERE INCORRECT.

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 318,000
 Number of Standpipes 0 Capacity in Gallons NA
 Method of Purification NONE

SERVICES AND METERS

Services
 1/2 in. _____ 5/8 in. _____ 1 in. 233 1 1/2 in. 4 2 in. 21 3 in. 0 4 in. 8 6 in. 1 _____
 Meters
0 0 0 0 0 0 0 0 _____

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	0	193	193	0	224	224	31
Commercial	0	3	3	0	3	3	0
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	52	52	0	52	52	0
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	0	248	248	0	279	279	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 22,148,961 gals.
 Maximum Water obtained all methods during any one day 198,569 gals.
 Minimum Amount of Water obtained all methods during one day 17,197 gals.
 Total Amount of Water passed through customers meters during year 0 gals.
 Range of ordinary pressure on mains 50 lbs. to 120 lbs.
 Range of fire pressure in mains 50 lbs. to 120 lbs.

STATE OF MONTANA)
County of Madison)

We, the undersigned, on our oath do severally say that the foregoing return the
Treeline Springs, LLC, water utility, has been prepared
under our direction from the original books, papers and records of said utility and declare
the same to be a full, true and correct statement embracing all the financial transactions of
said utility during the period for which the return is made.

Eric Batts

Subscribed and sworn to before me this 17th day of April, ~~2008~~ 2008.

Amanda Nelsen

Amanda Nelsen, Notary

Ennis, MT

My commission expires 4/1/2011

